



UC Financial Management

University of California
Business Officers' Institute

November 28, 2006

Topics

- Role importance
- Responsibilities
- Support

Let's Play

Who wants to be a Business Officer



SLIDE OF FAME

- 2006 (SF) – ?
- 2005 (SF) – Santa Cruz
- 2004 (SF) – Irvine, Riverside
- 2004 (NB) – Riverside
- 2003 (SF) – San Francisco
- 2001 (Brk) – Merced, Santa Cruz, UCOP
- 2000 (Oak) – San Francisco

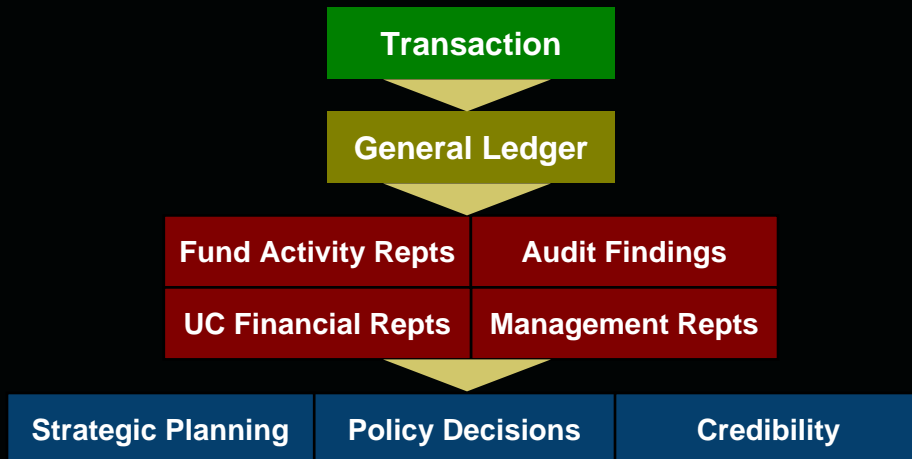


Importance of the University

- 515,909 students (including UNEX)
- \$18.6 billion in 2005 expenditures
- 121,826 faculty and staff
- > 600 research centers, institutes, programs
- > 1.6 million degrees conferred
- > 3 million patient visits annually
- > 34.5 million library volumes



The Influence of a Transaction



Planning and Budgeting

- Strategic planning
- Budgeting
- Policies and procedures



A Success-oriented Work Environment

- Competent, knowledgeable staff
- Resources to succeed
- Clear performance expectations
- Training and support
- Objective performance appraisals
- Open communications
- Improvement-orientation



Delegating Authority

- Officially recorded, approved, reviewed
- Cannot delegate more than you have
- Delegatee must be qualified and capable
- Clear accountability trail
- Monitor for continued relevance



Transaction Processing - Preparer Responsibilities

- Understand process
- Know basic policies and regulations
- Code transactions properly
- Respond to edit messages

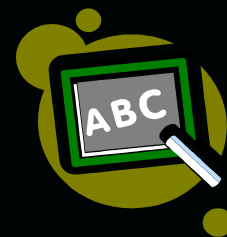


Transaction Processing - Reviewer Responsibilities



- Have no conflicting duties
- Check for accuracy, appropriateness
- Check for policy compliance
- Investigate and resolve issues
- Designate qualified back-up

Maintaining Internal Controls



- **Separation of duties**
 - **A**sset control
 - **B**ooking of entries
 - **C**omparison / transaction review
- **Periodic risk assessment**
 - Reorganization
 - Regulatory changes
- **Cost-benefit**

Proper Accounting

- **Account codes**
 - Assets, liabilities, revenue, expense
- **Fund codes**
 - Allowable usage
- **Subaccount - object codes**
 - Expense classification



Accurate Financial Reporting



Monitoring and Evaluating Financial Data

- Ensure locally-generated data is accurate
- Compare budget to actual figures
- Review revenue and expenses
- Investigate significant deviations
- Correct errors before next ledger cycle
- Document corrective actions



Managing Information Systems

- **Physical Security**
 - Access to data controls
 - Logon ID's and Passwords
- **Applications / Data Security**
 - Separation of duties
 - Programming change controls
 - Programmer background checks
 - Backups and disaster recovery



Safeguarding Valuables

- Records / Information assets
- Cash receipts, petty cash, change funds
- Inventories
- Inventorial assets



Reacting & Responding to Audits

- **External audits**
 - Fairness of financial results
 - Regulatory compliance - A-133 Audit
 - Evolving environment
- **Internal audits**
 - Compliance with policies
 - Adequate controls
 - Efficiencies



Managing Cash

- Separation of duties
- Accountability
- Physical security
- Prompt deposit
- Secure payment gateways
- Monitoring and reconciliation



Managing Receivables

- Prompt billing
- Monitoring
- Follow-up
- (Dis)incentives - activity holds
- Collection efforts and write-offs



Monitoring Conflict of Interest

- Business must only benefit UC
- UC employee or close relative may not personally gain from any transaction
- Formal reporting and evaluation process



Tracking Support Group Activities

- Same stewardship responsibilities
- Require ongoing recognition of the Chancellor
- Use of the University name restricted



Where to Get Help

- Controller's Office
- Accounting Office
- Planning and Budget Office
- Internal Audit Office
- Sponsored Projects Office
- Conflict of Interest Coordinator
- Cash Handling Coordinator

